

October 17, 2018

**VIA ELECTRONIC FILING**

Ms. Jocelyn G. Boyd  
Chief Clerk and Administrator  
The Public Service Commission of South Carolina  
Synergy Business Park  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: GCRM-146, Docket No. 2006-401-G

Dear Ms. Boyd:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-146.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries, as reflected on the New York Mercantile Exchange, are currently at levels above the \$2.75 per dekatherm commodity cost of gas reflected in Piedmont's rates.

Based on the differential between Piedmont's existing benchmark cost of gas and the futures wholesale price, as well as the current balance in its deferred gas cost account, Piedmont is at risk of under-collecting its wholesale gas costs if the benchmark cost of gas reflected in its rates is not increased to \$3.00 per dekatherm as proposed herein. The relief requested herein will mitigate such under-collection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate changes proposed herein are an increase of \$0.02544/therm for sales rate schedules (201, 202, 242, 252, 203 and 204) and an increase of \$0.00044/therm for transportation rate schedules (213 and 214).

Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in November, 2018.

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If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

/s/ Jasmine K. Gardner  
Jasmine K. Gardner

Enclosures

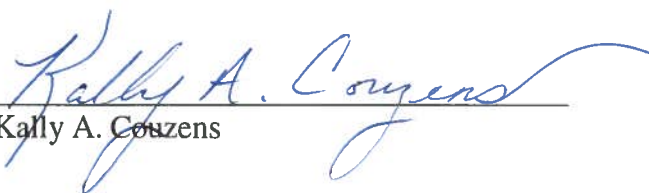
cc: Bruce Barkley  
Pia Powers  
Brian Heslin  
Jim Jeffries IV  
Office of Regulatory Staff (via email and overnight delivery)

STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

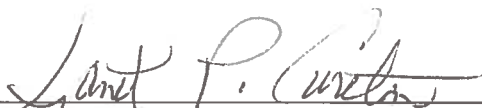
Kally A. Couzens, being duly sworn, deposes and says that she is Rates & Regulatory Strategy Manager – Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing and knows the contents thereof; and she believes that the facts set forth therein are true and correct.

  
Kally A. Couzens

Mecklenburg County, North Carolina

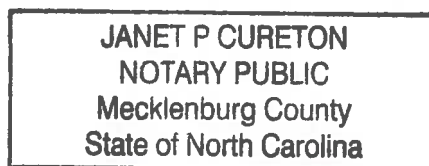
Signed and sworn to before me this day by Janet Cureton.

Date: October 17, 2018

  
Notary Public

(Official Seal)

My Commission Expires: March 1, 2020



## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached document is being served this date via email and FedEx Overnight upon:

Jeffrey M. Nelson  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley  
Vice President  
Regulatory and Community Relations  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
bruce.barkley@piedmontng.com

and

Pia Powers  
Director – Gas Rates & Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

This the 17th day of October, 2018.

/s/ Richard K. Goley  
Richard K. Goley

# **Schedule A**

Piedmont Natural Gas Company, Inc.  
State of South Carolina  
Proposed Benchmark Commodity Rate Change - GCRM 146, Docket No. 2006-401-G  
RSA Rate Changes - Settlement Eff. Nov 2018, Docket No. 2018-7-G, Order No. 2018-679

	(a)	(b)	(c)	(d)	(e)	(f)
	February 2018	Per Order #2018-679 Issued 10/3/18			GCRM-146	November 2018
	Current	Margin	COG Demand	Special Decrement	COG Commodity	Proposed
Rate Schedules:	<u>Billing Rates</u> <sup>1</sup>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Billing Rates</u>
<b>201 Residential Service</b>						
Monthly Charge-winter	10.00	-	-			10.00
Monthly Charge-summer	8.00	-	-			8.00
Winter (Nov.-Mar.) per therm	0.93863	(0.12154)	(0.01451)	(0.02230)	0.02544	0.80572
Summer (Apr.-Oct.) per therm	0.88108	(0.10740)	(0.01451)	(0.02230)	0.02544	0.76231
<b>202 Small General Service</b>						
Monthly Charge	22.00					22.00
Winter (Nov.-Mar.) per therm	0.80529	(0.08439)	(0.00998)	(0.01511)	0.02544	0.72125
Summer (Apr.-Oct.) per therm	0.79134	(0.08136)	(0.00998)	(0.01511)	0.02544	0.71033
<b>252 Medium General Service</b>						
Monthly Charge	75.00	-	-			75.00
Winter (Nov.-Mar.) per therm	0.77637	(0.08439)	(0.01231)	(0.01511)	0.02544	0.69000
Summer (Apr.-Oct.) per therm	0.76242	(0.08136)	(0.01231)	(0.01511)	0.02544	0.67908
<b>242 Natural Gas Vehicle Fuel Service</b>						
Winter (Nov.-Mar.) per therm	0.66091	(0.06823)	(0.00587)	(0.01511)	0.02544	0.59714
Summer (Apr.-Oct.) per therm	0.66091	(0.06823)	(0.00587)	(0.01511)	0.02544	0.59714
Winter (Nov.-Mar.) per GGE <sup>2</sup>	0.83275					0.75240
Summer (Apr.-Oct.) per GGE <sup>2</sup>	0.83275					0.75240
<b>243 Experimental Motor Vehicle Fuel Service</b>						
Monthly Charge		<i>varies by customer per their corresponding rate schedule</i>				
Winter (Nov.-Mar.)		<i>varies by customer per their corresponding rate schedule</i>				
Summer (Apr.-Oct.)		<i>varies by customer per their corresponding rate schedule</i>				
<b>203 Large General Sales Service</b>						
Monthly Charge	250.00	-	-	-		250.00
Billing Demand per therm	1.30000	-	(0.20000)	-		1.10000
Winter (Nov.-Mar.) per therm						
First 15,000	0.52156	-	(0.00600)	(0.00452)	0.02544	0.53648
Next 15,000	0.45685	-	(0.00700)	(0.00452)	0.02544	0.47077
Next 75,000	0.40872	-	(0.00690)	(0.00452)	0.02544	0.42274
Next 165,000	0.35558	-	-	(0.00452)	0.02544	0.37650
Next 330,000	0.30844	-	-	(0.00452)	0.02544	0.32936
Over 600,000	0.28487	-	-	(0.00452)	0.02544	0.30579
Summer (Apr.-Oct.) per therm						
First 15,000	0.44728	-	(0.00600)	(0.00452)	0.02544	0.46220
Next 15,000	0.40115	-	(0.00700)	(0.00452)	0.02544	0.41507
Next 75,000	0.37158	-	(0.00690)	(0.00452)	0.02544	0.38560
Next 165,000	0.33701	-	-	(0.00452)	0.02544	0.35793
Next 330,000	0.30844	-	-	(0.00452)	0.02544	0.32936
Over 600,000	0.28487	-	-	(0.00452)	0.02544	0.30579
<b>204 Interruptible Sales Service</b>						
Monthly Charge	250.00	-	-		-	250.00
Winter (Nov.-Mar.) per therm						
First 15,000	0.54356	-	(0.00300)	(0.00452)	0.02544	0.56148
Next 15,000	0.47985	-	(0.00500)	(0.00452)	0.02544	0.49577
Next 75,000	0.43272	-	(0.00500)	(0.00452)	0.02544	0.44864
Next 165,000	0.38658	-	(0.00450)	(0.00452)	0.02544	0.40300
Next 330,000	0.33844	-	(0.00600)	(0.00452)	0.02544	0.35336
Over 600,000	0.30987	-	-	(0.00452)	0.02544	0.33079
Summer (Apr.-Oct.) per therm						
First 15,000	0.46928	-	(0.00300)	(0.00452)	0.02544	0.48720
Next 15,000	0.42415	-	(0.00500)	(0.00452)	0.02544	0.44007
Next 75,000	0.39558	-	(0.00500)	(0.00452)	0.02544	0.41150
Next 165,000	0.36801	-	(0.00450)	(0.00452)	0.02544	0.38443
Next 330,000	0.33844	-	(0.00600)	(0.00452)	0.02544	0.35336
Over 600,000	0.30987	-	-	(0.00452)	0.02544	0.33079
<b>205 Outdoor Gas Light Service</b>						
Per Fixture/Mo.	15.00	-	-	-	-	15.00

Piedmont Natural Gas Company, Inc.  
State of South Carolina  
Proposed Benchmark Commodity Rate Change - GCRM 146, Docket No. 2006-401-G  
RSA Rate Changes - Settlement Eff. Nov 2018, Docket No. 2018-7-G, Order No. 2018-679

	(a)	(b)	(c)	(d)	(e)	(f)
	February 2018	Per Order #2018-679 Issued 10/3/18			GCRM-146	November 2018
	Current	Margin	COG Demand	Special Decrement	COG Commodity	Proposed
Rate Schedules:	<u>Billing Rates</u> <sup>1</sup>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Billing Rates</u>
<b>213 Large General Transportation Service</b>						
Monthly Charge	250.00	-	-	-	-	250.00
Standby Demand per therm	0.45000	-	-	-	-	0.45000
Billing Demand per therm	0.80000	-	-	-	-	0.80000
Winter (Nov.-Mar.) per therm						
First 15,000	0.22556	-	(0.01100)	(0.00452)	0.00044	0.21048
Next 15,000	0.15985	-	(0.00700)	(0.00452)	0.00044	0.14877
Next 75,000	0.11812	-	(0.00600)	(0.00452)	0.00044	0.10804
Next 165,000	0.07058	-	-	(0.00452)	0.00044	0.06650
Next 330,000	0.02894	-	(0.00010)	(0.00452)	0.00044	0.02476
Over 600,000	0.00987	-	-	(0.00452)	0.00044	0.00579
Summer (Apr.-Oct.) per therm						
First 15,000	0.15128	-	(0.01100)	(0.00452)	0.00044	0.13620
Next 15,000	0.10415	-	(0.00700)	(0.00452)	0.00044	0.09307
Next 75,000	0.08098	-	(0.00600)	(0.00452)	0.00044	0.07090
Next 165,000	0.05201	-	-	(0.00452)	0.00044	0.04793
Next 330,000	0.02894	-	(0.00010)	(0.00452)	0.00044	0.02476
Over 600,000	0.00987	-	-	(0.00452)	0.00044	0.00579
<b>214 Interruptible Transportation Service</b>						
Monthly Charge	250.00	-	-	-	-	250.00
Winter (Nov.-Mar.) per therm						
First 15,000	0.23056	-	-	(0.00452)	0.00044	0.22648
Next 15,000	0.16985	-	-	(0.00452)	0.00044	0.16577
Next 75,000	0.12272	-	(0.00500)	(0.00452)	0.00044	0.11364
Next 165,000	0.07388	-	0.00270	(0.00452)	0.00044	0.07250
Next 330,000	0.03344	-	0.00200	(0.00452)	0.00044	0.03136
Over 600,000	0.00987	-	-	(0.00452)	0.00044	0.00579
Summer (Apr.-Oct.) per therm						
First 15,000	0.15628	-	-	(0.00452)	0.00044	0.15220
Next 15,000	0.11415	-	-	(0.00452)	0.00044	0.11007
Next 75,000	0.08558	-	(0.00500)	(0.00452)	0.00044	0.07650
Next 165,000	0.05531	-	0.00270	(0.00452)	0.00044	0.05393
Next 330,000	0.03344	-	0.00200	(0.00452)	0.00044	0.03136
Over 600,000	0.00987	-	-	(0.00452)	0.00044	0.00579

1/ The rates in Column (a) are the same as those shown in the Company's Etariff filing revision #E2018-30 (version 29) approved on 2/7/18.  
2/ The rates convert 1.26 therms to 1 GGE.

## **Schedule B**



**Piedmont Natural Gas Company, Inc.**  
**State of South Carolina**  
**Commodity Cost of Gas Calculation**  
**Docket No. 2006-401-G**  
**GCRM - 146**

	<u>Annualized Throughput (DT) per Docket 2018-7-G Settlement Approved on 10/3/2018, Order No. 2018-679</u>	<u>Proposed Commodity Rate per (DT)</u>	<u>Total</u>
Sales	15,337,035	\$ 3.00	\$ 46,011,105
Transportation	5,610,407		
Total Throughput	20,947,442		
LAUF %	1.77%		
Company Use & Lost And Unacct For	370,770	\$ 3.00	\$ 1,112,310
Total Throughput			20,947,442
Calculated Rate - LAUF			0.0531
Proposed Sales Commodity Rate per DT			\$ 3.05310
Proposed Sales Commodity Rate per Therm			\$ 0.30531
Current Sales Commodity Rate per Therm			\$ 0.27987
Adjustment to Sales Commodity Rate per Therm			\$ 0.02544
Proposed Transportation Commodity Rate per DT			\$ 0.05310
Proposed Transportation Commodity Rate per Therm			\$ 0.00531
Current Transportation Commodity Rate per Therm			\$ 0.00487
Adjustment to Transportation Commodity Rate per Therm			\$ 0.00044
Current Benchmark			\$ 2.75
Proposed Benchmark			\$ 3.00